

EXHIBIT 2



United States
Department of
Agriculture

Forest
Service

San Bernardino National Forest
Supervisor's Office

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File Code: 2700

Date: May 24, 2024

Louis Mixon, III
Senior Natural Resource Manager
BlueTriton Brands, Inc
4718 Mountain Creek Parkway
Dallas, TX 75236

Dear Mr. Mixon,

Thank you for meeting with Forest staff at the Lytle Creek Ranger Station last week. I appreciate your willingness to come down and discuss these issues in person. I find that setting aside such time to establish the appropriate contacts and relations can help accelerate the exchange of necessary information. You should feel free to request such appointments in the future whenever they would be useful to you and be assured I will do the same.

The Forest continues to review your previously submitted correspondence, as we discussed. But as I explained several aspects of your use of Forest resources and permit compliance require further elaboration. Further we wish to correct several misapprehensions that were apparent in the correspondence. It is my hope that, after our conversation, you clearly understand my expectations at this point. The Forest is obligated to administer BlueTriton's current permit in accord with our regulations and the terms and conditions of the permit. We also require further information to process BlueTriton's application for a permit for future operations on the Forest.

As an initial matter, as you stated in your correspondence, the water extracted by BlueTriton from National Forest lands consists of percolating groundwater. (This is a revision of previous claims concerning surface water rights). The Forest agrees with this conclusion. However, at various times your correspondence refers to BlueTriton's appropriative rights to this groundwater. This is inaccurate. All BlueTriton's operations on National Forest lands are conducted under permits issued by the Forest Service, and this has been true of every predecessor back to the construction of these facilities under permit in the 1920's and 30's. The water groundwater rights remain with the United States and are used permissively. And BlueTriton's permits make clear that no water rights are transferred. Even if these operations were not under permit, adverse possession and prescriptive rights do not hold against the sovereign. The ground water rights utilized here remain with the United States as the overlying landowner. . Continued use of these rights requires compliance with BlueTriton's current permit, and future use of these rights is contingent upon the Forest receiving a complete application for a future permit. (And one requirement for that application is a thorough explanation of the proposed use.

As noted in our meeting yesterday, your responses to my previous letters are not sufficient in detail both in regard to the current operations under your permit or for our consideration for future permitted operations. This is now the third time that I have emphasized the lack of sufficient detail in your responses. For that reason, I am glad that we had the opportunity to



discuss why your answers were deficient and what further information is needed. As you work to provide me with sufficient detailed responses, please review my previous correspondence. You will see that the questions are designed to elicit responses that are quantitative in nature. Your answers should be tabular where appropriate.

As we discussed, one area where detail is significantly lacking concerns the quantities of water that were delivered to the Tribe (the San Manuel Band of Mission Indians) in the past and will be delivered to the Tribe in the future. It is essential that, as the permittee, you provide a detailed account of the uses of this water. It is not appropriate to broadly categorize the water use as “primarily industrial, domestic and irrigation uses.” While the Forest’s knowledge of the uses of this property are incomplete, our records currently indicate no irrigated agricultural uses on the property. Nor are there any municipalities on the property. So far as we are aware there are no residences on the property. The existing hotel and conference facility is not currently being operated and is being maintained by a skeletal staff. Thus, there are no significant operations in these categories on the property that would justify the use of up to 8 million gallons of water per month. We require a detailed description of the use of the waters diverted to this property including quantities for each use. Both BlueTriton and the Tribe noted in response that unused waters are returned to the stream below the property. The Forest appreciates this, but both State law and Forest policy would indicate that water that cannot be put to a beneficial use should be bypassed at the point of diversion rather than being diverted only to be returned to the water course at a lower point. The intervening Forest lands should not be deprived of water that is not being put to a beneficial use on the Tribe’s immediate property.

One portion of your response that should be forwarded immediately is the April 2024 summary report that was not submitted by the May 15th deadline. This is a requirement of your permit and failure to report constitutes noncompliance.

Further detailed information about the projected uses of water withdrawn from Forest Lands is necessary to consider your application for a future permit. Specifically, please provide the information requested in my letter dated 18-Apr-2024.

To the extent that you believe your Summary Note on line 57 of your November 2023 Period Reporting Summary can be explained more clearly, please expound upon the Note.

As we discussed, your decommissioning plan should be technical in nature, specifying the construction methods, access, ground disturbance, etc.

Other points of discussion and required detailed responses:

- Please submit your Operations & Maintenance Plan (due 1-May-2024).
- For the missing monthly hydro reports (2015 and later) and quarterly biological reports (since inception of AMP): you may send all communication and reports to Mike Nobles (Michael.nobles@usda.gov), David Anderson (david.anderson2@usda.gov), Kelley (Kelley.giron@usda.gov), and Nicole (Nicole.molinari@usda.gov)

- Please provide a copy of the contractual agreement between BTB and the San Manuel Band of Missian Indians.

I appreciate your continued cooperation in this matter, and I look forward to seeing your responses before 5-Jun-2024.

Sincerely,

A handwritten signature in cursive script that reads "Michael Nobles".

Michael Nobles
DISTRICT RANGER